

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO
Judge Christine M. Arguello**

Civil Action No. 15-cv-00955-CMA-MJW

UNITED STATES OF AMERICA,

Plaintiff,

v.

ZEN MAGNETS, LLC, and
SHIHAN QU,

Defendants.

ORDER GRANTING JOINT MOTION FOR JUDGMENT AND CONSENT JUDGMENT

This matter is before the Court upon the parties' Joint Motion to Enter Consent Judgment. (Doc. # 52.) For the foregoing reasons, the Motion is granted, and judgment is entered as described herein.

I. DISCUSSION

This Court previously determined that Defendants knowingly violated the Consumer Product Safety Act ("CPSA") by selling magnets¹ that were subject to a voluntary corrective action, in violation of 15 U.S.C. § 2068(a)(2)(B). (Doc. # 37.) The sole remaining issue to be decided in this case is whether, pursuant to 15 U.S.C. §

¹ Defendants purchased the magnets from Star Networks, USA LLC. The magnets at issue, which are further discussed in the Court's order granting summary judgment (Doc. # 37), are referenced herein as the "Star magnets."

2069(a)(1), Defendants should be ordered to pay a civil penalty as a result of that violation.

On November 23, 2016, the parties submitted their instant joint motion, requesting that this Court enter the proposed Consent Judgment. (Doc. # 52.) Having reviewed the Motion and all relevant filings, and being otherwise fully advised in the premises, the following is ORDERED:

Defendant Zen shall pay a civil penalty of \$5,500,000 for violating the CPSA, with \$5,490,000 of the total suspended. The non-suspended portion of the civil penalty shall be paid to the United States no later than March 15, 2017. The United States is precluded from ever seeking to collect the suspended portion of the civil penalty, unless Defendants fail to comply with any of the terms of this order. A determination that Defendants have failed to comply with a term of the order may be made only by this Court, upon motion by the United States, after allowing Defendants reasonable time to respond to any such motion.

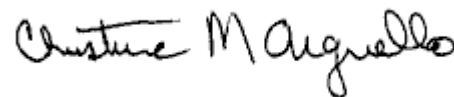
Defendant Qu shall not pay a civil penalty, unless he fails to comply with the terms of this order. In the event that the United States believes that Qu has failed to comply with the terms of this order, the United States shall make a motion to this Court, asking for a determination as to whether Qu has complied. Qu shall have a reasonable time to respond to such motion. If this Court determines that Qu has not complied with the terms of this order, this Court may impose a civil penalty in an amount to be determined at the Court's discretion.

Defendants Zen and Qu shall destroy the Star magnets and indistinguishable intermingled magnets in its inventory, in a manner approved and witnessed by CPSC staff, as already required by this Court's order granting summary judgment (Doc. # 37 at 28, ¶ h), within sixty (60) days of the entry of this order. It is

FURTHER ORDERED that the Motion for Damages (Doc. # 40) filed by the United States on April 5, 2016, is DENIED AS MOOT.

DATED: November 30, 2016

BY THE COURT:



CHRISTINE M. ARGUELLO
United States District Judge